

Foster Parents Liability Certificate of Insurance
THIS IS A CLAIMS MADE POLICY-READ IT CAREFULLY

X **UNITED NATIONAL INSURANCE COMPANY**
— **DIAMOND STATE INSURANCE COMPANY**
Three Bala Plaza, East, Suite 300, Bala Cynwyd, PA 19004

Certificate Number: Sample
Renewal of: NEW

Certificate Holder Name and Address:
ABC Child Placement Agency
Address
Address

SAMPLE POLICY

As to Certificate Holder
Policy Period: From: 00/00/00 To: 00/00/00
Foster
at 12:01 A.M. Standard Time at the Certificate Holder's
Mailing Address

Named Insured:
"Foster Parents" Licensed and/or Certified under
the "Licensing Authority" of a member of the
Parents Services Purchasing Group and to which a
Certificate of Insurance has been issued relative
to this Master Policy.

Retroactive Date As to Certificate Holder: 00/00/00

Master Policy Number: Sample
Member of Foster Parents Services Purchasing Group

In return for the payment of the premium, and subject to all the terms of this policy, we agree with you to provide the insurance as stated in this policy. Coverage is provided where a limit is shown below.

Coverage	Description	Linilts of Liability	
A.	Bodily Injury and Property Damage	\$500,000	Each Occurrence
	Physical and Sexual Abuse Sublimit	\$100,000	Each "Foster Household"
B.	Personal Injury Liability	\$500,000	Any One Person or Organization
C.	Property Damage to Property of Others	\$ 250	Each Occurrence
D.	Property Damage to Insured's Property	\$ 5,000	Each "Foster Household"
General Aggregate Limit- Each "Foster Household"		\$500,000	Aggregate

Total Annual Premium: SAMPLE

Plus Surplus Lines Tax and Fee

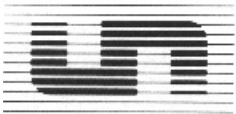
Forms made a part of this policy at inception: PC3O1(11/97), U1OOJ(11/92), PC409(4/97), PC418(4/97), PC412(4/97), PC370(4/97), PC371(4/97), PC374(4/97), PC303(4/97), PC372(2/98),

Signed By: _____
Authorized Representative

Producer: _____ Agent #6392
National Insurance Professionals Corporation
1040 NE Hostmark St., Suite 200
Poulsbo, WA 98370-8720

Issue Date: 00/00/00

PC300 (5/98)



FOSTER PARENTS COVERAGE FORM

THIS POLICY PROVIDES CLAIMS-MADE COVERAGE. PLEASE READ IT CAREFULLY.

Various provisions in this policy restrict coverage. Read the entire policy carefully to determine rights, duties and what is and is not covered.

Throughout this policy the words "you" and "your" refer to each individually licensed "foster parent" who extends foster family care as shown in the designation of the Named Insured in the Declarations, and any other person qualifying as an insured under this policy. The words "Licensing Authority" mean the state social service agency shown in the Declarations, which secured this insurance on your behalf. The words "we", "us" and "our" refer to the Company providing this insurance.

The word "insured" means any person or organization qualifying as such under WHO IS AN INSURED (Section II).

Other words and phrases that appear in quotation marks have special meaning. Refer to DEFINITIONS (Section VI).

SECTION I-COVERAGES

COVERAGE A. BODILY INJURY AND PROPERTY DAMAGE LIABILITY

1. Insuring Agreement

- a. We will pay those sums that an insured becomes legally obligated to pay as damages because of "bodily injury" or "property damage" to which this insurance applies. We will have the right and duty to defend an insured against any "suit" seeking those damages. However, we will have no duty to defend an insured against any "suit" seeking damages for "bodily injury" or "property damage" to which this insurance does not apply. We may, at our discretion, investigate any "occurrence" and settle any claim or "suit" that may result. But:
 - (1) The amount we will pay for damages is limited as described in LIMITS OF INSURANCE (Section III); and
 - (2) Our right and duty to defend end when we have used up the applicable limit of insurance in the payment of judgments or settlements under Coverages A or B.

No other obligation or liability to pay sums or perform acts or services is covered unless explicitly provided for under SUPPLEMENTARY PAYMENTS-COVERAGES A AND B.

- b. This insurance applies to "bodily injury" and "property damage" only if:

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- (1) The "bodily injury" or "property damage" is caused by an "occurrence" that takes place in the "coverage territory";
 - (2) The "bodily injury" or "property damage" did not occur before the Retroactive Date, if any, shown in the Declarations or after the end of the policy period; and
 - (3) A claim for damages because of the "bodily injury" or "property damage" is first made against any insured, in accordance with paragraph c. below during the policy period or the Basic Extended Reporting Period we provide under Section V.
- c. A claim by a person or organization seeking damages will be deemed to have been made when notice of such claim is received and recorded by any insured or by us whichever comes first.

All claims for damages because of "bodily injury" to the same person, including damages claimed by any person or organization for care, loss of services, or death resulting at any time from the "bodily injury", will be deemed to have been made at the time the first of those claims is made against any insured.

All claims for damages because of "property damage" causing loss to the same person or organization will be deemed to have been made at the time the first of those claims is made against any insured.

2. Exclusions

This insurance does not apply to:

- a. "Bodily injury" or "property damage" expected or intended from the standpoint of an insured. This exclusion does not apply to "bodily injury" resulting from the use of reasonable force to protect persons or property.
- b. "Bodily injury" or "property damage" for which an insured is obligated to pay damages by reason of the assumption of liability in a contract or agreement.

This exclusion does not apply to liability for damages that an insured would have in the absence of the contract or agreement.

- c. "Bodily injury" or "property damage" for which an insured may be held liable by reason of:
 - (1) Causing or contributing to the intoxication of any person;
 - (2) The furnishing of alcoholic beverages to a person under the legal drinking age or under the influence of alcohol; or

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- (3) Any statute, ordinance or regulation relating to the sale, gift, distribution or use of alcoholic beverages.
- d. "Bodily injury" or "property damage" arising out of the actual, alleged or threatened discharge, dispersal, seepage, migration, release or escape of pollutants:
 - (1) At or from any premises, site or location which is or was at any time owned or occupied by, or rented or loaned to, an insured;
 - (2) At or from any premises, site or location which is or was at any time used by or for any insured or others for the handling, storage, disposal, processing or treatment of waste;
 - (3) Which are or were at any time transported, handled, stored, treated, disposed of, or processed as waste by or for any insured or any person or organization for whom you may be legally responsible; or
 - (4) At or from any premises, site or location on which any insured or any contractors or subcontractors working directly or indirectly on an insured's behalf are performing operations:
 - (i) If the pollutants are brought on or to the premises, site or location in connection with such operations by such insured, contractor or subcontractor; or
 - (ii) If the operations are to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of pollutants.
 - (5) Any loss, cost or expense arising out of any:
 - (a) Request, demand or order that any insured or others test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any respond to, or assess the effects of pollutants; or
 - (b) Claim or "suit" by or on behalf of a governmental authority for damages because of testing for, monitoring, cleaning up, removing, containing, treating, detoxifying or neutralizing, or in any way responding to, or assessing the effects of pollutants.
- Pollutants means any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals and waste. Waste includes materials to be recycled, reconditioned or reclaimed.
- e. "Bodily injury" or "property damage" arising out of the ownership, maintenance, use or entrustment to others of any aircraft, "auto" or watercraft owned or operated by or rented or loaned to any insured. Use includes operation and "loading or unloading". This exclusion also

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applies to vicarious liability, whether or not statutorily imposed, for the actions of a child or minor using an aircraft, "auto" or watercraft owned or operated by or rented or loaned to any insured.

This exclusion does not apply to:

- (1) A watercraft while ashore on premises you own or rent;
- (2) A sailboat less than 26 feet long;
- (3) A watercraft with 50 horsepower or less inboard and 25 horsepower or less outboard.
- f. "Bodily injury" or "property damage" arising out of:
 - (1) The transportation of "mobile equipment" by an "auto" owned or operated by or rented or loaned to an insured; or
 - (2) The use of "mobile equipment" in, or while in practice for, or while being prepared for, any prearranged racing, speed, demolition, or stunting activity.
- g. "Bodily injury" or "property damage" due to war, whether or not declared, or any act or condition incident to war. War includes civil war, insurrection, rebellion or revolution.
- h. "Property damage" to:
 - (1) Property an insured owns, rents, or occupies;
 - (2) Property loaned to an insured;
 - (3) Personal property in the care, custody or control of an insured;
- i. "Bodily injury" or "property damage" arising out of the failure of an insured to render professional services. The care and services rendered by insured as a "foster parent" do not constitute professional services.
- j. "Bodily injury" or "property damage" arising out of any dishonest, fraudulent, criminal or malicious act, error or omission of an insured.
- k. "Bodily injury" or "property damage" arising out of the transmission of a communicable disease by an insured.
- l. "Bodily injury" or "property damage" arising out of:
 - i. the actual or threatened

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- (a) physical abuse, whether or not sexual in nature; or
 - (b) sexual abuse or molestation or licentious, immoral or sexual behavior intended to lead to, or culminating in any sexual act;
- by or to any person in the care, custody or control of any insured; or
- ii. the failure of any insured or anyone else for whom an insured is legally responsible to prevent or suppress any such actual or threatened behavior; or
- iii. The negligent
 - (a) employment
 - (b) investigation
 - (c) supervision
 - (d) reporting to the proper authorities or failure to so report; or
 - (e) retention;
- of a person whose conduct would be excluded by subparagraph i. above

This exclusion only applies to payment of those sums that an insured becomes legally obligated to pay as damages because of "bodily injury" or "property damage" arising out of conduct set forth in subparagraphs i., ii, or iii. of this exclusion. We will provide a defense only, subject to the Sublimit of Insurance set forth in Section III, Paragraph 7, for any "suit" alleging "bodily injury" arising out of conduct set forth in subparagraphs i., ii., iii. of this exclusion, which defense will cease at the earlier of the following items:

- a. when judgment or final adjudication establishes that an insured is legally liable to pay damages arising out of the conduct set forth in subparagraphs i. and ii. of this exclusion; or
- b. when the Sublimit of Insurance is exhausted as set forth in Section III, Paragraph 7.
- m. Punitive damages, exemplary damages, fines, penalties, treble damages or any other increase in damages resulting from the multiplication of compensatory damages.

COVERAGE B. PERSONAL INJURY LIABILITY

1. Insuring Agreement

- a. We will pay those sums that an insured becomes legally obligated to pay as damages because of "personal injury" to which this insurance applies. We will have the right and duty to defend an insured against any "suit" seeking those damages. However, we will have no duty to defend an insured against any "suit" seeking damages for "personal injury" to which this insurance does not apply. We may, at our discretion, investigate any "occurrence" or offense and settle any claim or "suit" that may result. But:

- (1) The amount we will pay for damages is limited as described in LIMITS OF INSURANCE (Section III); and
- (2) Our right and duty to defend end when we have used up the applicable limit of insurance in the payment of judgments or settlements under coverages A or B.

No other obligation or liability to pay sums or perform acts or services is covered unless explicitly provided for under SUPPLEMENTARY PAYMENTS-COVERAGES A AND B.

- b. This insurance applies to:

"Personal injury" caused by an offense arising out of an insured's activities as a "foster parent" and occurring while one or more "foster children" are in the care and custody of a Named Insured, but only if:

- (1) The offense was committed in the "coverage territory";
 - (2) The offense was not committed before the Retroactive Date, if any, shown in the Declarations or after the end of the policy period; and
 - (3) A claim for damages because of the "personal injury" is the first made against an insured, in accordance with paragraph c. below, during the policy period or the Basic Extending Reporting Period we provide under Section V.
- c. A claim made by a person or organization seeking damages will be deemed to have been made when notice of such claim is received and recorded by an insured or by us, whichever comes first.

All claims for damages because of "personal injury" to the same person or organization as a result of an offense will be deemed to have been made at the time the first of those claims is made against any insured.

2. Exclusions

This insurance does not apply to:

a. "Personal injury":

- (1) Arising out of oral or written publication of material, if done by or at the direction of an insured with knowledge of its falsity;
- (2) Arising out of oral or written publication of material whose first publication took place before the Retroactive Date, if any, shown in the Declarations;
- (3) Arising out of the willful violation of a penal statute or ordinance committed by or with the consent of an insured;
- (4) For which an insured has assumed liability in a contract or agreement other than a written agreement directly related to the care or custody of a "foster child". This exclusion does not apply to liability for damages that an insured would have in the absence of the contract or agreement; or
- (5) Arising out of the actual, alleged or threatened discharge, dispersal, seepage, migration, release or escape of pollutants at any time;
- (6) Arising out of the transmission of a communicable disease by an insured;
- (7) Arising out of;
 - (a) the actual or threatened
 - (i) physical abuse, whether or not sexual in nature; or
 - (ii) sexual abuse of molestation or licentious, immoral or sexual behavior intended to lead to, or culminating in any sexual act;by or to any person in the care, custody or control of any insured; or
 - (b) the failure of any insured or anyone else for whom an insured is legally responsible to prevent or suppress any such actual or threatened behavior; or
 - (c) The negligent
 - (i) employment;
 - (ii) investigation;

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- (iii) supervision;
- (iv) reporting to the proper authorities or failure to so report, or
- (v) retention;

of a person whose conduct would be excluded by subparagraph (a) above.

This exclusion only applies to payment of those sums that an insured becomes legally obligated to pay as damages because of "bodily injury" or "property damage" arising out of conduct set forth in subparagraphs (a), (b) or (c) of this exclusion. We will provide a defense only, subject to the Sublimit of Insurance set forth in Section III, Paragraph 7, for any "suit" alleging "bodily injury" arising out of conduct set forth in subparagraph (a), (b) or (c) of this exclusion, which defense will cease at the earlier of the following times:

- (a) when judgment or final adjudication establishes that an insured is legally liable to pay damages arising out of the conduct set forth in subparagraphs (a) and (b) of this exclusion; or
 - (b) when the Sublimit of Insurance is exhausted as set forth in Section III, Paragraph 7.
- b. Punitive damages, exemplary damages, fines, penalties, treble damages or any other increase in damages resulting from the multiplication of compensatory damages.

Pollutants means any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals and waste. Waste includes materials to be recycled, reconditioned or reclaimed.

COVERAGE C. PROPERTY DAMAGE TO PROPERTY OF OTHERS

1. Insuring Agreement

We will pay, at actual cash value for "property damage" to property of others caused by one or more "foster children" in a Named Insured's custody and control if the act causing damage occurred during the policy period.

The "property damage" must not have occurred before the Effective Date, if any shown in the Declarations, or after the end of the policy period.

2. Exclusions

We will not pay for "property damage":

- a. to the extent of any amount recoverable under Coverage A;

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- b. to property owned by an insured or by a resident of your household; or
- c. arising out of:
 - i. business pursuits; or
 - ii. the ownership, maintenance or use of aircraft, "auto" or watercraft.

COVERAGE D. PROPERTY DAMAGE TO INSUREDS' PROPERTY

1. Insuring Agreement

- a. We will pay, at actual cash value, up to \$5,000 for "property damage" to property of an insured, unintentionally caused by one or more "foster children" in the care and custody of a Named Insured, if the act causing damage occurred during the policy period.

The "property damage" must not have occurred before the Effective Date shown in the Declarations, if any or after the end of the policy period.

2. Exclusions

We will not pay for "property damage":

- a. to property used for business pursuits;
 - b. arising out of the ownership, maintenance or use of aircraft, "auto" or watercraft; or
 - c. which was intentionally caused.
3. Our obligation to pay for "property damage" under Coverage D applies only to the amount in excess of a \$250 deductible, payable by a Named Insured, for each claim made for all damage arising out of an unintentional act of a "foster child".

SUPPLEMENTARY PAYMENTS- COVERAGES A AND B

We will pay, with respect to any claim we investigate or settle or any "suit" against any insured we defend:

- 1. All expenses we incur.
- 2. Premiums on appeal bonds, but only for bond amounts within the applicable limits of insurance. We do not have to furnish these bonds.
- 3. The cost of bonds to release attachments, but only for bond amounts within the applicable limit of insurance. We do not have to furnish these bonds.

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4. All reasonable expenses other than loss of earnings incurred by an insured at our request to assist us in the investigation or defense of the claim or "suit".
5. All costs taxed against an insured in the "suit".
6. Prejudgment interest awarded against an insured on that part of the judgment we pay. If we make an offer to pay the applicable limit of insurance, we will not pay any prejudgment interest based on that period of time after the offer.
7. All interest on the full amount of any judgment that accrues after entry of the judgment and before we have paid, offered to pay, or deposited in court the part of the judgment that is within the applicable limit of insurance.

These payments will not reduce the limits of insurance, except as provided in Section III, paragraph 7.

SECTION II- WHO IS AN INSURED

1. Each individually licensed "foster parent" who extends foster family care as shown in the designation of the Named Insured in the Declarations is an insured.
2. If residing in the same household as a Named Insured, the following are insureds:
 - a. Relatives of that Named Insured;
 - b. Relatives of the spouse of that Named Insured; and
 - c. Persons under the age of 18 in the care and custody of that Named Insured.
3. If you die, your legal representative is an insured, but only with respect to duties as such. That representative will have all your rights and duties under this Coverage Part.

SECTION III- LIMITS OF INSURANCE

1. The Limits of Insurance shown in the Declarations and the rules below fix the most we will pay regardless of the number of:
 - a. Insureds in a "foster household";
 - b. "Foster children" in a "foster household";
 - c. Substantially the same continued or repeated acts, errors or omissions;
 - d. Claims made or "suits" brought against any member of a "foster household"; or
 - e. Persons or organizations making claims or bringing "suits".

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2. The General Aggregate Limit- Each "Foster Household" is the most we will pay for all claims or "suits" brought against any or all members of a "foster household", for the sum of damages under Coverages A, B, C, and D, and expenses under paragraph 7, below.
3. Subject to 2. above, the Personal Injury Limit is the most we will pay under coverage B for all damages because of all "personal injury" sustained by any one person or organization.
4. Subject to 2. above, the Each Occurrence Limit for Bodily Injury and Property Damage is the most we will pay for damages under Coverage A because of all "bodily injury" and "property damage" arising out of any one "occurrence".
5. Subject to 2. above, the Each Occurrence Limit for Property Damage to Property of Others is the most we will pay for damages under Coverage C because of all "property damage" to property of others caused by one or more "foster children" arising out of any one "occurrence".
6. Subject to 2. above, the Each "Foster Household" limit for "property damage" to insureds' property is the most we will pay to any or all members of a "foster household" because of all "property damage" to insureds' property under Coverage D.
7. Subject to 2. above, the Physical and Sexual Abuse Sublimit is the most we will pay for expenses we incur in the defense of all "suits" brought against any or all members of a "foster household" alleging "bodily injury", "property damage", or "personal injury" arising out of:
 - a. the actual or threatened
 - i. physical abuse, whether or not sexual in nature; or
 - ii. sexual abuse or molestation or licentious, immoral or sexual behavior intended to lead to, or culminating in any sexual act;by or to any person in the care, custody or control of any insured; or
 - b. the failure of an insured or anyone else for whom an insured is legally responsible to prevent or suppress any such actual or threatened behavior; or
 - c. The negligent
 - (i) employment;
 - (ii) investigation;
 - (iii) supervision;
 - (iv) reporting to the proper authorities or failure to so report; or
 - (v) retention of a person whose conduct would be excluded by subparagraph a. above

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The Limits of Insurance of this Coverage Part apply separately to each consecutive annual period and to any remaining period of less than 12 months, starting with the beginning of the policy period shown in the Declarations, unless the policy period is extended after issuance of an additional period of less than 12 months. In that case, the additional period will be deemed part of the last preceding period for purposes of determining the Limits of Insurance.

SECTION IV- CONDITIONS

1. Bankruptcy

Bankruptcy or insolvency of an insured or of an insured's estate will not relieve us of our obligations under this Coverage Part.

2. Duties In the Event of Occurrence, Offense, Property Damage to Property of an Insured, Claim or Suit

- a. You must see to it that we are notified as soon as practicable of an "occurrence", offense or "property damage" to property of an insured unintentionally caused by a "foster child" which may result in a claim. To the extent possible, notice should include:
 - (1) How, when and where the "occurrence", offense, "property damage" to property of an insured unintentionally caused by a "foster child" took place;
 - (2) The names and addresses of any injured persons and witnesses; and
 - (3) The nature and location of any injury or damage arising out of the "occurrence", offense, or "property damage" to property of an insured unintentionally caused by a "foster child".

Notice of an "occurrence", offense or "property damage" is not notice of a claim.

- b. If a claim is received by an insured, you must:
 - (1) Immediately record the specifics of the claim and the date received; and
 - (2) Notify us as soon as practicable.

You must see to it that we receive written notice of the claim as soon as practicable.

- c. You and any other involved insured must:
 - (1) Immediately send us copies of any demands, notices, summonses or legal papers received in connection with the claim or a "suit",
 - (2) Authorize us to obtain records and other information;

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- (3) Cooperate with us in the investigation or settlement of the claim or defense against the "suit"; and
- (4) Assist us, upon our request, in the enforcement of any right against any person or organization which may be liable to an insured because of injury or damage to which this insurance may also apply.

d. No insured will, except at that insured's own cost, voluntarily make a payment, assume any obligation, or incur any expense, other than for first aid, without our consent.

3. Legal Action Against Us

No person or organization has a right under this Coverage Part:

- a. To join us as a part or otherwise bring us into a "suit" asking for damages from an insured; or
- b. To sue us on this Coverage Part unless all of its terms have been fully complied with.

A person or organization may sue us to recover on an agreed settlement or on a final judgment against an insured obtained after an actual trial; but we will not be liable for damages that are not payable under the terms of this Coverage Part or that are in excess of the applicable limit of insurance. An agreed settlement means a settlement and release of liability signed by us, an insured and the claimant or the claimant's legal representative.

4. Other Insurance

If other valid and collectible insurance is available to an insured for a loss we cover under Coverages A, B, C or D of this Coverage Part, our obligations are limited as follows:

a. Primary Insurance

For Coverage C or D this insurance is always primary. For Coverages A or B this insurance is primary as to any insurance under which the insured qualifies for coverage under another policy issued by us, or by any company affiliated with us.

b. Excess Insurance

For Coverages A and B this insurance is excess over any of other insurance (except insurance under which the insured qualifies for coverage under another policy issued by us, or by any company affiliated with us), whether called excess, contingent or on any other basis, that is otherwise applicable to a loss covered under this policy.

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We will have no duty under Coverage A or B to defend an insured against any "suit" if any other insurer has a duty to defend an insured against that "suit". If no other insurer defends, we will undertake to do so, but we will be entitled to an insured's rights against all those other insurers. We will pay only our share of the amount of the loss, if any, that exceeds the sum of:

- (1) The total amount that all such other insurance would pay for the loss in the absence of this insurance; and
- (2) The total of deductible and self-insured amounts under all of that other insurance.

c. **Method of Sharing**

If all of the other insurance permits contribution by equal shares, we will follow this method also. Under this approach each insurer contributes equal amounts until it has paid its applicable limit of insurance or none of the loss remains, whichever comes first.

If any of the other insurance does not permit contribution by equal shares, we will contribute by limits. Under this method, each insurer's share is based on the ratio of its applicable limit of insurance to the total applicable limits of insurance of all insurers.

5. Representation

This policy was secured on your behalf and for your benefit by the "Licensing Authority" and by accepting this policy you agree:

- a. The statements in the Declarations are accurate and complete;
- b. Those statements are based upon representation made to us; and
- c. We have issued this policy in reliance upon those representations.

6. Separation of Insureds

Except with respect to the Limits of Insurance, and any rights or duties specifically assigned in this Coverage Part to the first Named Insured, this insurance applies:

- a. As if each Named Insured were the only Named Insured; and
- b. Separately to each insured against whom claim is made or "suit" is brought.

7. Transfer of Rights of Recovery Against Others To Us

If an insured has rights to recover all or part of any payment we have made under this Coverage Part, those rights are transferred to us. An insured must do nothing after loss to impair them. At our request, an insured will bring "suit" or transfer those rights to us and help us enforce them.

8. **Cancellation**

- a. The "Licensing Authority" may cancel this policy by delivering it to us or any of our authorized agents or by send us written notice stating when the future cancellation will take effect. Cancellation will become effective the date of delivery of the policy to us or upon such future date requested by the "Licensing Authority".
- b. We may cancel this policy by mailing or delivering to the "Licensing Authority" written notice of cancellation at least:
 - (1) Ten (10) days before the effective date of cancellation. If we cancel because of nonpayment of premium whether payable directly to us or payable to our agents or others under any installment payment plan, premium finance plan, extension of credit or other payment plan;
 - (2) Thirty (30) days before the effective date of cancellation if we cancel for any other reason.
- c. We will mail or deliver our notice to the last mailing addresses known to us of the "Licensing Authority".
- d. Notice of cancellation will state the effective date of cancellation. The policy period will end of that date.
- e. If this policy is canceled, we will send the "Licensing Authority" any premium refund due. If we cancel, the refund will be pro rata. If the "Licensing Authority" cancels, the refund may be less than pro rata. The cancellation will be effective even if we have not made or offered any refund of unearned premium.
- f. If notice is mailed, proof of mailing will be sufficient proof of notice.

9. **When We Do Not Renew**

If we decide not to renew this Coverage Part, we will mail or deliver to the "Licensing Authority" written notice of the nonrenewal not less than 30 days before the expiration date.

10. **Changes**

This policy contains all the agreements between you and us concerning the insurance afforded. The "Licensing Authority" shown in the Declarations is authorized to make changes in the terms of this policy upon our giving written consent. This policy's terms can be amended or waived only by endorsement to this policy, issued by us.

11. Premiums

The "Licensing Authority":

- a. Is responsible for the payment of all premiums; and
- b. Will be the payee for any return premiums we pay.

SECTION V- EXTENDED REPORTING PERIOD

- 1. We will provide an Extended Reporting Period as described below, if:
 - a. This Coverage Part is canceled or not renewed; or
 - b. We renew or replace this Coverage Part with insurance that:
 - (1) Has a Retroactive Date later than the date shown in the Declarations of this Coverage Part; or
 - (2) Does not apply to "bodily injury", "property damage" or "personal injury" on a claims-made basis.
- 2. The Extended Reporting Period does not extend the policy period or change the scope of coverage provided. It applies only to claims for:
 - a. "Bodily injury" or "property damage" that occur before the end of the policy period but not before the Retroactive Date, if any, shown in the Declarations; or
 - b. "Personal injury" caused by an offense committed before the end of the policy period but not before the Retroactive Date, if any, shown in the Declarations.

Once in effect the Extended Reporting Period may not be canceled.

- 3. A Basic Extended Reporting Period is automatically provided without additional charge. This period starts with the end of the policy period and lasts for 730 days.

The Basic Extended Reporting Period does not apply to claims that are covered under any subsequent insurance you purchase, or that would be covered but for exhaustion of the amount of insurance applicable to such claims.

- 4. The Basic Extended Reporting Period does not reinstate or increase the Limits of Insurance.

SECTION VI- DEFINITIONS

- 1. "Auto" means a land motor vehicle or all other motorized land conveyances. "Auto" does not include:

sample policy

- a. A trailer not towed by or carried on a motorized land conveyance;
 - b. A motorized land conveyance designed for recreational use off public roads, not subject to motor vehicle registration and:
 - (1) Not owned by an insured; or
 - (2) Owned by an insured and on premises you own and rent;
 - (3) A motorized golf cart when used to play golf on a golf course;
 - (4) A vehicle or conveyance not subject to motor vehicle registration which is:
 - (a) used to service your premises;
 - (b) designed for assisting the handicapped; or
 - (c) in dead storage on your premises.
2. "Bodily injury" means bodily injury, sickness or disease sustained by a person, including death resulting from any of these at any time.
3. "Coverage territory" means the United States of America (including its territories and possessions), Puerto Rico and Canada.
4. "Foster child" means a person under the age of 18, who has been placed in the care and custody of a Named Insured by the "Licensing Authority" shown in the designation of the Named Insured in the Declarations.
5. "Foster household" means a "foster parent" and those who qualify as insureds under SECTION II-WHO IS AN INSURED, for that particular "foster parent".
6. "Foster parent" means a licensed individual who extends foster family care under the authority of the "Licensing Authority" shown in the designation of the Named Insured in the Declarations.
7. "Licensing Authority" means that entity shown in the designation of the Named Insured in the Declarations which licenses or certifies "foster parents".
8. "Loading or unloading" means the handling of property:
- a. After it is moved from the place where it is accepted for movement into or onto an aircraft, watercraft or "auto"; or
 - b. While it is in or on a aircraft, watercraft or "auto"; or

sample policy

- c. While it is being moved from an aircraft, watercraft or "auto" to the place where it is finally delivered;

but "loading or unloading" does not include the movement of property by means of a mechanical device, other than a hand truck, that is not attached to the aircraft, watercraft or "auto".

- 9. "Occurrence" means an act, error or omission of an insured, arising out of a Named Insured's activities as a "foster parent" and occurring while one or more "foster children" is in the care and custody of a Named Insured. For the purpose of determining our Limits of Insurance, all "bodily injury" and "property damage" arising out of continued or repeated exposure to substantially the same general acts, errors or omissions will be considered as arising out of one "occurrence".
- 10. "Personal injury" means injury, other than "bodily injury", arising out of one or more of the following offenses:
 - a. False arrest, detention or imprisonment;
 - b. Malicious prosecution;
 - c. The wrongful eviction from, wrongful entry into, or invasion of the right of private occupancy of a room, dwelling or premises that a person occupies by or on behalf of its owner, landlord or lessor.
 - d. Oral or written publication of material that slanders or libels a person or organization or disparages a person's or organization's goods, products or services; or
 - e. Oral or written publication of material that violates a person's right of privacy.
- 11. "Property damage" means:
 - a. Physical injury to tangible property, including all resulting loss of use of that property. All such loss of use will be deemed to occur at the time of the physical injury that caused it; or
 - b. Loss of use of tangible property that is not physically injured. All such loss of use will be deemed to occur at the time of the "occurrence" that caused it.
- 12. "Suit" means a civil proceeding in which damages because of "bodily injury", "property damage" or "personal injury" to which this insurance applies are alleged. "Suit" includes:
 - a. An arbitration proceeding in which such damages are claimed and to which an insured must submit or does submit with our consent; or
 - b. Any other alternative dispute resolution proceeding in which such damages are claimed and to which an insured submits with our consent.

sample policy

(The attaching clause need be completed only when this endorsement is issued subsequent to preparation of the policy).

This endorsement, effective

at 12:01 a.m. standard time, forms a part of

Policy#:

Issued to:

By:

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

SERVICE OF SUIT CLAUSE
WASHINGTON

This endorsement modifies insurance provided under the following:

ALL COVERAGE PARTS IN THIS POLICY.

The United National Insurance Company hereby appoints the highest State official in charge of insurance affairs (Commissioner of Insurance, Director of Insurance, Insurance Commissioner, Executive Secretary, Superintendent of Insurance, or such other official title as designated by the State) of the State of Washington and his successor or successors in office as his and their duly authorized deputies, as the true and lawful attorney of United National Insurance Company in and for the aforesaid State, upon whom all lawful process may be served in any action, "suit" or proceeding instituted in the said State by or on behalf of any insured or beneficiary against the United National Insurance Company, arising out of the insurance policy to which this provision is attached. provided a copy of any process, "suit", complaint or summons is sent by certified or registered mail to United National Insurance Company, Three Bala Plaza East, Suite 300, Bala Cynwyd, PA 19004.

Barry C. Clipsham
~~Authorized Representative~~

sample policy

(The attaching clause need be completed only when this endorsement is issued subsequent to preparation of the policy.)

This endorsement, effective _____ at 12:01 a.m. standard time, forms a part of

Policy #:

Issued to:

By:

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

MINIMUM EARNED PREMIUM ENDORSEMENT

This endorsement modifies insurance provided under the following:
ALL COVERAGE PARTS INCLUDED IN THIS POLICY

This policy is subject to a minimum earned premium.

If this policy is canceled at your request, you agree with us:

1. that the minimum earned premium for this policy is **25%** of the Total Premium;
2. that such minimum earned premium is not subject to short rate or pro-rate adjustment; and
3. that cancellation for non-payment of premium, after the effective date of the policy, shall be deemed a request by you for cancellation of this policy and will activate this minimum earned premium provision.

Barry C. Clipsham
Authorized Representative

NUCLEAR ENERGY LIABILITY EXCLUSION ENDORSEMENT

1. The insurance does not apply:
 - A. Under any Liability Coverage, to "bodily injury" or "property damage":
 1. With respect to which an "insured" under the policy is also an insured under a nuclear energy liability policy issued by Nuclear Energy Liability Insurance Association, Mutual Atomic Energy Liability Underwriters, Nuclear Insurance Association of Canada or any of their successors, or would be an insured under any such policy but for its termination upon exhaustion of its limit of liability; or
 2. Resulting from the "hazardous properties" of "nuclear material" and with respect to which (a) any person or organization is required to maintain financial protection pursuant to the Atomic Energy Act of 1954, or any law amendatory thereof, or (b) the "insured" is, or had this policy not been issued would be, entitled to indemnity from the United States of America, or any agency thereof, under any agreement entered into by the United States of America, or any agency thereof, with any person or organization.
 - B. Under any Medical Payments coverage, to expenses incurred with respect to "bodily injury" resulting from the "hazardous properties" of "nuclear material" and arising out of the operation of a "nuclear facility" by any person or organization.
 - C. Under any Liability Coverage, to "bodily injury" or "property damage" resulting from the "hazardous properties" or "nuclear material", if:
 1. The "nuclear material" (a) is at any "nuclear facility" owned by, or operated by or on behalf of, an "insured" or (b) has been discharged or dispersed therefrom;
 2. The "nuclear material" is contained in "spent fuel" or "waste" at any time possessed, handled, used, processed, stored, transported or disposed of by or on behalf of an "insured;" or
 3. The "bodily injury" or "property damage" arises out of the furnishing by an "insured" of services, materials, parts of equipment in connection with the planning, construction, maintenance, operation or use of any "nuclear facility," but if such facility is located within the United States of America, its territories or possessions or Canada, this exclusion (3) applies only to "property damage" to such "nuclear facility" and any property thereat.
2. As used in this endorsement:

"Hazardous properties" include radioactive, toxic or explosive properties;

"Nuclear material" means "source material," Special nuclear material" or "by-product material;"

"Source material," "special nuclear material," and "by-product material" have the meanings given them in the Atomic Energy Act of 1954 or in any law amendatory thereof;

"Spent fuel" means any fuel element or fuel component, solid, or liquid, which has been used or exposed to radiation in a "nuclear reactor;"

"Waste" means any waste material (a) containing "by-product material" other than the tailings or wastes produced by the extraction or concentration of uranium or thorium, from any ore processed primarily for its "source material" content, and (b) resulting from the operation by any person or organization of any "nuclear facility" included under the first two paragraphs of the definition of "nuclear facility."

sample policy

"Nuclear facility" means:

- a. Any "nuclear reactor;"
- b. Any equipment or device designed or used for (1) separating the isotopes of uranium or plutonium, (2) processing or utilizing "spent fuel," or (3) handling, processing or packaging "waste;"
- c. Any equipment or device used for the processing, fabricating or alloying of "special nuclear material" if at any time the total amount of such material in the custody of the "insured" at the premises where such equipment or device is located consists of or contains more than 25 grams of plutonium or uranium 233 or any combination thereof, or more than 250 grams of uranium 235;
- d. Any structure, basin, excavation, premises or place prepared or used for the storage or disposal of "waste;"

and includes the site on which any of the foregoing is located, all operations conducted on such site and all premises used for such operations;

"Nuclear reactor" means any apparatus designed or used to sustain nuclear fission in a self-supporting chain reaction or to contain a critical mass of fissionable material;

"Property damage" includes all forms of radioactive contamination of property.

Barry C. Clipsham
Authorized Representative

sample policy

(The attaching clause need be completed only when this endorsement is issued subsequent to preparation of the policy.)

ENDORSEMENT

This endorsement, effective on _____ at 12:01 A.M. standard time, forms a part of

Policy No:

Issued to:

By:

ASBESTOS EXCLUSION

This endorsement modifies insurance provided under the following:
ALL COVERAGE PARTS IN THIS POLICY.

This insurance does not apply to any liability arising out of:

1. Inhaling, ingesting or prolonged physical exposure to asbestos or goods or products containing asbestos; or
2. The use of asbestos in constructing or manufacturing any good, product or structure; or
3. The removal of asbestos from any good, product or structure; or
4. The manufacture, sale, transportation, storage or disposal of asbestos or goods or products containing asbestos.

The coverage afforded by this policy does not apply to payment for the investigation or defense of any loss, injury or damage or any cost, fine or penalty or for any expense or claim or suit related to any of the above.

Barry C. Clipsham
Authorized Representative

sample policy

(The attaching clause need be completed only when this endorsement is issued subsequent to preparation of the policy.)

ENDORSEMENT

This endorsement, effective on

12:01 A.M. standard time, forms a part of

Policy No.:

Issued to:

By:

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

EXCLUSION-LEAD LIABILITY

This endorsement modifies insurance provided under the following:
ALL COVERAGE PARTS IN THIS POLICY.

This insurance does not apply to:

1. "Bodily injury", "property damage", or "personal injury" arising out of, resulting from, caused by or contributed to by lead or exposure to lead or lead paint; or
2. The costs of abatement, mitigation, removal or disposal of lead paint or any lead containing product or material;

This exclusion also includes:

- a. Any supervision, instructions, recommendations, warnings or advice given or which should have been given with the above; and
- b. Any obligation to share damages with or repay some else who may pay damages because of such injury or damage.

Barry C. Clipsham
Authorized Representative

DISCLOSURE FORM

THIS IS A CLAIMS-MADE POLICY

IMPORTANT NOTICE TO POLICYHOLDER

THIS DISCLOSURE FORM IS NOT YOUR POLICY: IT MERELY DESCRIBES, IN SUMMARY FASHION, SOME OF THE MAJOR FEATURES OF OUR CLAIMS-MADE POLICY FORM. READ YOUR POLICY CAREFULLY TO DETERMINE RIGHTS, DUTIES AND WHAT IS AND IS NOT COVERED. ONLY THE PROVISIONS OF YOUR POLICY DETERMINE THE SCOPE OF YOUR INSURANCE PROTECTION.

- A. This policy is a claims-made policy. It applies only to injury or damage that occurs on or after the retroactive date and before the end of the policy period. It applies only to claims first made against the insured on or after the inception date and before the end of the policy period.
- B. This policy provides a specific type of liability insurance protecting the policyholder under certain circumstances. Please review the policy to determine its limitations, exclusions and conditions.
- C. Coverage is provided for liability if the claim for damages is FIRST MADE during the policy period based on an event which occurred on or after the retroactive date and prior to the expiration date of the policy or extended reporting period. The reporting of incidents and/or claims is very specific (see paragraph 1, of Section 1) and must be done within a specific time frame as specified within the policy. It is important for you to review this section of the policy.
- D. Be sure to review paragraphs 8 and 9 in **Section IV-Conditions** of the policy for procedures in the case of cancellation or non-renewal.
- E. The limit of insurance will be reduced by the payment of defense costs.

sample policy

(The attaching clause need be completed only when this endorsement is issued subsequent to preparation of the policy.)

ENDORSEMENT

This endorsement, effective on

12:01 A.M. standard time, forms a part of

Policy No.:

Issued to:

By:

LIMITATION OF BODILY INJURY COVERAGE

This insurance does not apply to "bodily injury" to a "foster parent," or if residing in the same household as the "foster parent," any relative over the age of 18, of the "foster parent" or of his or her spouse.

Barry C. Clipsham
Authorized Representative

sample policy

ENDORSEMENT

This endorsement, effective _____, forms a part of

Policy No:

Issued To:

By:

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

EXCLUSION OF COVERAGES C & D

In consideration the premium charged, it is agreed that Coverages C & D, and all references thereto, are hereby deleted.

Barry C. Clipsham
Authorized Representative

sample policy

ENDORSEMENT

This endorsement, effective 0/00/00

12:01 a.m. standard time, forms a part of

Policy#: SAMPLE

Issued to: ABC CHILD PLACEMENT AGENCY

By: United National Insurance Company

THIS CONTRACT IS REGISTERED AND DELIVERED AS A SURPLUS LINE COVERAGE UNDER THE INSURANCE CODE OF THE STATE OF WASHINGTON, ENACTED IN NINETEEN HUNDRED AND FORTY-SEVEN. IT IS NOT ISSUED BY A COMPANY REGULATED BY THE WASHINGTON STATE INSURANCE COMMISSIONER AND IS NOT PROTECTED BY ANY WASHINGTON STATE GUARANTY FUND LAW.

PREMIUMS CHARGED HEREON ARE SUBJECT TO THE FOLLOWING TAXES AND FEES:

PREMIUM	\$ 1,250.00
POLICY FEE	\$ <u>-0-</u>
INSPECTION FEE	\$ <u>-0-</u>
SUBTOTAL	\$ 1,250.00
STATE TAX (2.0%)	\$ <u>25.00</u>
SURPLUS LINES (0.4%)	\$ <u>5.00</u>
TOTAL	\$ <u>1,280.00</u>

Barry C. Clipsham
Authorized Representative

sample policy

(The attaching clause need be completed only when this endorsement is issued subsequent to preparation of the policy)

This endorsement, effective at 12:01 a.m. standard time, forms a part of

Policy #:

Issued to:

By: UNITED NATIONAL INSURANCE COMPANY

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

INDOOR AIR QUALITY EXCLUSION

This insurance does not apply to:

1. Injury or damage arising out of, resulting from, caused or contributed to by mold, mildew and/or other conditions affecting indoor air quality; or
2. The cost of abatement, mitigation, removal or disposal of mold, mildew and/or other conditions affecting indoor air quality; or.

This exclusion also includes:

- a. Any supervision, instructions, recommendations, warnings, or advice given or which should have been given in connection with the above; and
- b. Any obligation to share damages with or repay someone else whom must pay damages because of such injury or damage.

The attaching clause need be completed only, when this endorsement is issued subsequent to preparation of the policy.)

This endorsement, effective on 12: 01 A.M. standard time, forms a part of

Policy No.:

Issued To:

By:

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

TERRORISM EXCLUSION

This endorsement modifies insurance provided under the following:

ALL PARTS OF THE POLICY

Notwithstanding any other provision of this policy to the contrary, this insurance does not apply to any loss, cost, expense, damage, injury or economic detriment, whether arising by contract, operation of law or otherwise, that in any way, form or manner, directly or indirectly, arises out of, results from or is caused by "terrorism".

"Terrorism" means any act of force or violence or other illegal means, whether actual, alleged or threatened, by any person, persons, group, private or governmental entity or entities or any other type of organization of any nature whatsoever, whether the identity of which is known or unknown, that causes or appears to be intended to cause:

2. alarm, fright, fear of danger, concern or apprehension for public safety;
3. the intimidation or coercion of the civilian population; or
4. the alteration of the policies, foreign or domestic of any governmental body,

and which act appears to be political, religious, racial, ethnic, ideological, ecological or social purposes or motives.

This exclusion does not affect the applicability of, and is in addition to, any exclusion of war, warlike or military action, whether or not specifically denominated as such.

sample policy

(The attaching clause need be completed only, when this endorsement is issued subsequent to preparation of the policy.)

This endorsement, effective on 12: 01 A.M. standard time, forms a part of

Policy No.:

Issued To:

By:

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

WAR EXCLUSION

This endorsement modifies insurance provided under the following:

ALL LIABILITY COVERAGES OF THE POLICY

Any exclusion for war, warlike or military action whether or not specifically denominated as such, is deleted and replaced by the following:

Notwithstanding any provision of this policy to the contrary, this insurance does not apply to injury, damage, loss, cost or expense, due to war, whether or not declared, or any act or condition incident to war. War includes civil war, insurrection, rebellion or revolution.

This exclusion does not affect the applicability of, and is in addition to, any exclusion or terrorism, whether or not specifically denominated as such.